

ORDINANCE NO. 1429

AN ORDINANCE OF THE CITY OF NORTH MIAMI, FLORIDA, AMENDING ARTICLE V, "NORTH MIAMI POLICE PENSION PLAN" OF THE CITY CODE BY AMENDING 15-119 "USAGE OF PREMIUM TAX REVENUES," BY AMENDING SECTION 15-121 "MEMBER CONTRIBUTIONS"; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of North Miami ("City") has established the North Miami Police Pension Plan (the "Retirement System") for members of the Plan as defined in Section 15-101 of the City's Code of Ordinances ("Members"); and

WHEREAS, the City has entered into a collective bargaining agreement ("CBA") with the Dade County Police Benevolent Association (the "Union") covering the term October 1, 2018 through September 30, 2021; and

WHEREAS, the CBA contains certain changes to the City's Retirement System, which includes a reduction in employee contributions and a change in allocation of premium tax revenues pursuant to Section 185.35, Florida Statutes; and

WHEREAS, to implement the pension changes contained in the CBA and comply with applicable pension laws, it is necessary to adopt an ordinance amending the retirement system as set forth in Article V of the City's Code of Ordinances; and

WHEREAS, the City Council finds that it is in the best interest of the City and its employees to amend the City Code to implement the aforementioned changes.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. **Recitals.** The following recitals are true and correct and are incorporated herein by reference.

Section 2. **City Code Amended.** That Section 15-119 "Usage of Premium Tax Revenues" of Article V "North Miami Police Pension Plan" of Division 3 Fund" of the City Code is hereby amended to read as follows:

Sec. 15-119. - Usage of premium tax revenues.

The city and Police Benevolent Association have mutually agreed that all premium tax revenues received by the city in accordance with F.S. ch. 185 shall be utilized as follows:

- (a) Unallocated premium tax revenues received and held in excess by of the Plan as of July 15, 2018 shall be used to offset the City's annual required pension contribution. The first eighty-two thousand six hundred eighty-two dollars (\$82,682.00) of the premium tax revenues received annually shall be used to offset the city's annual required contributions.
- (b) The premium tax revenues received annually between July 16, 2018 and July 15, 2021 (for fiscal years 2017, 2018 and 2019) will be split equally between the City and members, with 50% to be used by the City to offset its annual required pension contribution, and 50% to be allocated to the special police officers' fund ("Share Plan") in accordance with section 15-171 et seq. of the City Code. Annual premium tax revenues received by the city in excess of eighty-two thousand two hundred sixty-eight dollars (\$82,268.00) up to two hundred thirty thousand two hundred sixty-eight dollars (\$230,268.00) shall be allocated to the special police officers' fund ("Share Plan") in accordance with section 15-173 et seq.
- (c) If the City and Police Benevolent Association are unable to reach mutual agreement regarding the use of premium tax revenues received from the State beyond that specified in subsections (a) and (b) above by September 30, 2021, the allocation of premium tax revenues received by the Plan on or after July 16, 2021 (for fiscal year 2020 and beyond) shall be as set forth in Article 26, Section 6 of the collective bargaining agreement between the City and the Police Benevolent Association for the period October 1, 2015 to September 30, 2018 (i.e., of the premium tax revenues received annually, \$82,682 will be used to offset the City's annual required contribution, \$147,586 will be allocated to the Share Plan in accordance with section 15-171 et seq. of the City Code, and the remainder will remain unallocated and held in reserve as an accumulated excess). Annual premium tax revenues received by the city in excess of two hundred thirty thousand two hundred sixty-eight dollars (\$230,268.00) shall be designated as unallocated and held in reserve as an accumulated excess.

* * *

Section 3. City Code Amended. That Section 15-121 "Member Contributions" of Article V "North Miami Police Pension Plan" of Division 1 "Generally" of the City Code is hereby amended to read as follows:

Sec. 15-121. - Member contributions.

- (a) *Mandatory contribution rate.*
 - (1) Each member shall contribute to the fund at the rate of one (1) percent of the member's annual compensation through September 30, 1982; three (3) percent of the member's annual compensation from October 1, 1982, through October 14, 2000; six and 85 one-

hundredths (6.85) percent of the member's annual compensation from October 15, 2000, through July 31, 2008; ~~and~~ eleven and 51 one-hundredths (11.51) percent of the member's annual compensation from August 1, 2008 through September 30, 2018; and nine and 51 one-hundredths (9.51) percent of the member's annual compensation from October 1, 2018 through September 30, 2021. If the City and the Police Benevolent Association are unable to reach a new agreement regarding employee pension contributions by September 30, 2021, employee contributions will revert to eleven and 51 one-hundredths (11.51) percent of the member's annual compensation thereafter subject to reduction pursuant to subsection 15-121(b) below. ~~and thereafter.~~ Notwithstanding a member's retirement from the plan prior to August 1, 2011, the member shall contribute to the fund as follows:

* * *

- (b) *Out performance of investment assumption.* Should the fund outperform the investment assumption, as determined by the board of trustees, on advice of the actuary for the fund, in any one (1) year by more than thirty (30) percent, the member contribution will be reduced for the following year by two (2) percent (from eleven and fifty-one one-hundredths (11.51) percent to nine and fifty-one one-hundredths (9.51) percent). In the event that during any subsequent year the thirty (30) percent performance figure is not met, the member contribution will be restored for the following year(s) by two (2) percent (to eleven and fifty-one one-hundredths (11.51) percent). The provisions of this subsection shall not apply to post-retirement contributions by members pursuant to subsection 15-121(a) or for the period October 1, 2018 through September 30, 2021.

* * *

Section 4. Conflicts. All ordinances or parts of ordinances in conflict or inconsistent with the provisions of this Ordinance are hereby repealed.

Section 5. Severability. The provisions of this Ordinance are declared to be severable, and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this Ordinance but they shall remain in effect, it being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

Section 6. Codification. The provisions of this Ordinance may become and be made a part of the Code of Ordinances of the City of North Miami, Florida. The sections of the Ordinance may be renumbered or re-lettered to accomplish such, and the word "ordinance" may be changed to "section," "article" or any other appropriate word.

Section 7. Effective Date. This Ordinance shall become effective immediately upon adoption on second reading.

PASSED AND ADOPTED by a 4-0 vote of the Mayor and City Council of the City of North Miami, Florida, on first reading this 23rd day of October, 2018.

PASSED AND ADOPTED by a 4-0 vote of the Mayor and City Council of the City of North Miami, Florida, on second reading this 13th day of November, 2018.



DR. SMITH JOSEPH
MAYOR

ATTEST:



MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:



JEFF P. H. CAZEAU, ESQ.
CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: Galvin

Seconded by: Keys

Vote:

Mayor Smith Joseph, D.O., Pharm. D.	<u>X</u>	(Yes)	_____	(No)
Vice Mayor Carol Keys, Esq.	<u>X</u>	(Yes)	_____	(No)
Councilman Scott Galvin	<u>X</u>	(Yes)	_____	(No)
Councilman Philippe Bien-Aime	<u>X</u>	(Yes)	_____	(No)
Councilman Alix Desulme	_____	(Yes)	_____	(No) Absent